

NASHVILLE, TENNESSEE

April 14, 1999

IN RE:)
)
)
 NASHVILLE GAS COMPANY APPLICATION FOR) DOCKET NO. 98-00338
 APPROVAL OF NEGOTIATED GAS REDELIVERY)
 AGREEMENT WITH STATE INDUSTRIES)

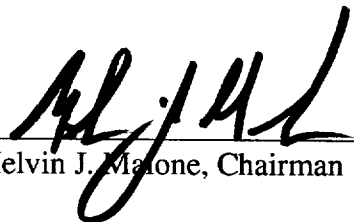
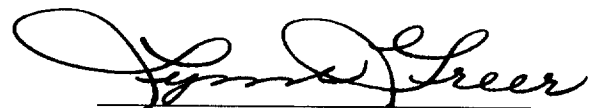
ORDER GRANTING MOTION FOR REHEARING AND APPOINTMENT OF HEARING OFFICER

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on April 6, 1999, for consideration of Nashville Gas Company's ("NGC") Motion for Rehearing of the Authority's Order issued in the above-captioned docket on January 22, 1999. After reviewing NGC's motion and the Authority's January 22 Order and after hearing oral argument by NGC's counsel at the April 6, Conference, the Directors voted unanimously to grant NGC's motion and to permit NGC to present additional evidence in reference to the issue of NGC's right to recover Phase I margin losses and percentage recovery on Phase II margin losses in connection with the State Industries contract.

In addition the Directors unanimously voted to appoint Director H. Lynn Greer, Jr., to serve as Hearing Officer for the purpose of conducting a hearing and deciding the merits of NGC's request.

IT IS THEREFORE ORDERED THAT:

1. NGC's Motion is granted;
2. Director H. Lynn Greer, Jr., is appointed Hearing Officer in this matter to conduct a hearing and decide the merits of NGC's request;
2. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman
H. Lynn Greer, Jr., Director
Sara Kyle, Director

ATTEST:

K. David Waddell, Executive Secretary